

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Bob Stump - Chairman
Gary Pierce
Brenda Burns
Bob Burns
Susan Bitter Smith

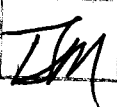
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AZ CORP COMMISSION
DOCKET COLLECTION

2013 FEB 21 PM 2 20

Arizona Corporation Commission

DOCKETED

FEB 21 2013

DOCKETED BY 

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, TO EXTEND ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR ITS PINAL VALLEY SYSTEM,
PINAL COUNTY, ARIZONA

DOCKET NO. W-01445A-06-0317

**REQUEST FOR ADDITIONAL TIME
FOR COMPLIANCE FILING**

On March 22, 2007, the Commission entered Decision No. 69386 (the "Decision") in the above-captioned docket. The Decision approved Arizona Water Company's (the "Company") application for an extension of its Certificate of Convenience and Necessity for its Pinal Valley system. The Decision further directed the Company to file a copy of the first approval to construct the facilities needed to serve the proposed extension area as issued by the Arizona Department of Environmental Quality, and a copy of the first developer's certificate of assured water supply ("CAWS") within one year of the effective date of the Decision.

On January 8, 2008, the Company filed a copy of the first approval to construct facilities needed to serve the extension area, a map of which is attached hereto as Exhibit A. In addition, in Decision No. 72373, entered by the Commission on May 27, 2011, the Commission extended the deadline for the Company's filing of a copy of the first developer's CAWS to March 22, 2013.

The Company is now requesting an extension of the current compliance deadline, March 22, 2013, for an additional two (2) year period, until March 22, 2015, to comply with the only remaining compliance item under the Decision, that is, the requirement to file a copy of a CAWS

1 for the first developer. In support of its request, the Company respectfully further provides as
2 follows:

3
4 1. For the 16,275 acre extension area approved in the Decision (the "Extension Area"),
5 the Company has filed all but one of the required compliance items. Therefore, the Company has
6 substantially complied with the compliance requirements of the Decision.

7
8 2. The Company is currently serving nine (9) customers in the Extension Area.
9

10 3. The deep recession and real estate crash over the past several years (essentially, the
11 entire time that Decision No. 69386 has been in effect) are extraordinary circumstances that have
12 not been seen since the Great Depression. The severe economic downturn that has battered the
13 Arizona real estate market persists, and continues to delay the development of residential and
14 mixed-use development in Arizona, including Pinal County. Therefore, even though the Company
15 is serving and expects to serve additional customers in the Extension Area within the next few
16 years (see paragraph 2, above, and paragraph 6, below), no one, including housing experts and
17 economists, can say for sure when the real estate market will see a recovery of any significance.
18

19 4. The Commission's Staff observed in evaluating another water utility's request for
20 additional time approved by the Commission in Docket No. W-01732A-05-0532 (see Finding of
21 Fact No. 14 on page 3 of Decision No. 71861, docketed September 1, 2010, Staff response filed on
22 May 8, 2009), "...the downturn in the economy has put a damper on much of the development in
23 this state."
24

25 5. The Arizona Department of Water Resources ("ADWR") has approved a Physical
26 Availability Determination (the "PAD") for an area that includes the entire Extension Area (a copy
27 of the PAD is attached hereto as Exhibit B). The PAD, as approved by ADWR, confirms the
28 ADWR's determination that a sufficient amount of groundwater is physically available for 100

1 years for assured water supply purposes in the PAD study area, which includes the entire
2 Extension Area, and that the water is of adequate quality. Therefore, the Company submits that
3 approval of the PAD satisfies the policy objectives behind the condition of obtaining a CAWS.
4 See, generally, Decision No. 68722 (July 30, 2007), paragraph 97. In addition, Commission
5 Decision No. 73146, entered on May 1, 2012, entered in the Global CCN dockets, Docket No. W-
6 01445A-06-0199, et al., is consistent with this acceptance of the PAD.

7
8 6. The Company has requested confirmation of service letters from all of the property
9 owners or property owner representatives, of/for the real property located in the Extension Area.
10 The Company will file the property owner letters as soon as they are received. The letters will
11 document the property owners' continuing need and request for water service from the Company to
12 be able to develop their property in the Extension Area. The property owner letters will also
13 confirm the owners' plans to develop their property in reliance upon water service that they plan to
14 obtain under the Company's CCN. The continued existence of that CCN will support the slowly
15 improving development market that has experienced historic difficulty, as detailed above, and the
16 withdrawal of the CCN would be detrimental to that recovery.

17 18 CONCLUSION

19 The Company believes, and therefore respectfully submits that the foregoing provides
20 sufficient support for its request for additional compliance time, and that it confirms the existence
21 of extraordinary circumstances to justify its request. Therefore, the Company respectfully requests
22 that the Commission enter an order:

23
24 a. Extending the compliance deadline to March 22, 2015, under Decision No.
25 699386 for filing the remaining compliance item for the Extension Area.

26
27 b. Specifically, with respect to the CAWS requirement, confirming that, as
28 detailed in paragraph 5, above, the Company has satisfied the CAWS compliance requirement; in

1 the alternative, the Company respectfully requests that the compliance deadline for the CAWS
2 filing be extended to March 22, 2015.

3
4 c. Providing any further relief that it deems appropriate under the
5 circumstances of this Request.

6
7 RESPECTFULLY SUBMITTED this 25th day of 2013.

8 **ARIZONA WATER COMPANY**

9
10
11 By: Robert W. Geake
12 Robert W. Geake
13 Vice President and General Counsel
14 Arizona Water Company
15 P. O. Box 29006
16 Phoenix, AZ 85038-9006
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1 Original and thirteen (13) copies of the foregoing filed this 21st day of 2013, with:

2 Docket Control Division
3 Arizona Corporation Commission
4 1200 West Washington Street
Phoenix, Arizona 85007

5 A copy of the foregoing was hand delivered this 21st day of, 2013, to:

6 Janice Alward, Chief Counsel
7 Legal Division
8 Arizona Corporation Commission
9 1200 West Washington Street
Phoenix, Arizona 85007

10 Steven M. Olea, Director
11 Utilities Division
12 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

13 Brian Bozzo
14 Manager, Compliance and Enforcement
15 Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

16
17
18 By: 

EXHIBIT A

R.7E.

R.8E.

R.9E.

T.5S.

T.6S.

Area Covered By
Present C.C.B.N.



No.	Decision Date	Revision	By	Date
12	March 2007	Decision No. 65386	CB	4/07
11	February 2006	Decision No. 68442	CB	2/06
10	April 2004	Decision No. 67439	CB	12/04
9	October 2001	Redrawn	CB	10/01
8	April 1999	Decision No. 61547	GRS	8/99
7	February 1998	Decision No. 60589	GRS	4/99
6	February 1998	Decision No. 60588	GRS	4/99
5	August 1982	Decision No. 34155-A	RB	11/68
4	April 1959	Decision No. 31530	RB	11/68
3	April 1955	Decision No. 28734	RB	11/68
2				
1				

ARIZONA WATER COMPANY

AREA COVERED BY PRESENT C.C.B.N.

COOLIDGE

DATE: 11.07.1968 SCALE: 1" = 1 Mile

R.9E.

R.8E.

R.7E.

EXHIBIT B

JANICE K. BREWER

Governor



HERBERT R. GUENTHER

Director

ARIZONA DEPARTMENT OF WATER RESOURCES

3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105
(602) 771-8500

Via Certified Mail

December 24, 2009

Mr. William Garfield, President
Arizona Water Company
3805 North Black Canyon Highway
Phoenix, Arizona 85015

**RE: Arizona Water Company Pinal Valley Water Service Area
Pinal County, Arizona (Pinal AMA)
Application for a Physical Availability Determination
ADWR #51-700444.0000**

Dear Mr. Garfield:

The Department has completed its review of your application for a Physical Availability Determination for Arizona Water Company Pinal Valley Service Area. The Department received the application on November 15, 2007. The study area locations are within Township 4 South, Range 8 East, within portion of Section 36; Township 4 South, Range 9 East, Sections 31, 32, 33; Township 5 South, Range 5 East, and portions of Sections 13, 14, 15, 16, 21 to 28 inclusive, 33, 34, 35, 36; Township 5 South, Range 6 East, Sections 13 to 36; Township 5 South, Range 7 East, Sections 12, 13, 14, 23 to 36; Township 5 South, Range 8 East, Sections 1, 2, portions of 3, 5, 6, 7 to 36 inclusive; Township 5 South, Range 9 East, Sections 4 to 10 inclusive, 15 to 22 inclusive, 27 to 36 inclusive; Township 5 South, Range 10 East, Sections 31, 32 & 33; Township 6 South, Range 3 East, Sections 10 to 16 inclusive, 21 to 28 inclusive, 33, 34, 35 & 36; Township 6 South, Range 4 East, Sections 16 to 21 inclusive, 28 to 33 inclusive portion of Sec. 36; Township 6 South, Range 5 East, Sections 1, 2, 3, 4, portion of Sec. 5, 9 to 16 inclusive, east half of Sec. 17 and 20 to 36 inclusive; Township 6 South, Range 6 East, Sections 1 to 36; Township 6 South, Range 7 East, Sections 1 to 36 inclusive; Township 6 South, Range 8 East, Sections 1 to 24 inclusive, 29, 30, 31 & 32; Township 6 South, Range 9 East, Sections 1 to 24 inclusive; Township 6 South, Range 10 East, Sections 5, 6, 7, 8, 17, 18, 19 & 20; Township 7 South, Range 3 East, Sections 1, 2, 3, 10 to 15 inclusive, 22 to 27 inclusive, 34, 35 & 36; Township 7 South, Range 4 East, Sections 1 to 36 inclusive; Township 7 South, Range 5 East, Sections 1 to 24; Township 7 South, Range 6 East, Sections 1 to 36 inclusive; Township 7 South, Range 7 East, Sections 1 to 7 inclusive, north half of Sections 8, 18, 19, 30, 21 & 32; Township 7 South, Range 8 East, Sections 5 & 6; Township 8 South, Range 6 East, Sections 1, 2, 3, 4, 9 to 16 inclusive, 21, 22, 23 & 24; Township 8 South, Range 7 East, Sections 4 to 9 inclusive, 17, 18, 19 & 20 and GSR B&M in Pinal County, Arizona.

In accordance with A.A.C. R12-15-702(D), the Department has determined that a minimum of 98,841 acre-feet per year of groundwater is physically available for 100 years under A.A.C. R12-15-716(B) for assured water supply purposes in the study area. Although you requested a volume of 103,485 acre-feet, after a review of the hydrologic study and all issued assured water supply determinations in the study area, the Department has concluded that 98,841 acre feet is physically available.


With regard to water quality for the purpose of A.A.C. R12-15-719(A), the provider you select must be regulated by the Arizona Department of Environmental Quality. With regard to water quality for the purpose of A.A.C. R12-15-719(B), the study area is not located within one mile of any known WQARF or Superfund site.

The results of the Department's review fulfill the requirements of R12-15-702(C) and may be cited in applications for determinations of assured water supply. Those applications have certain additional requirements based on the assured water supply criteria referenced in A.R.S. § 45-576 and A.A.C. R12-15-701, et seq. For further information on those requirements, please contact the Office of Assured and Adequate Water Supply at (602) 771-8599.

As with all Physical Availability Determinations issued by the Department, changes in conditions or the accuracy of assumptions and information used in demonstrating physical availability may affect the validity of this determination. Changes in the number or locations of wells may impact applicability of this determination to future applications for determinations of assured water supply.

If you have any questions regarding this Physical Availability Determination, please contact the Office of Assured & Adequate Water Supply at (602) 771-8599.

Sincerely,



Sandra Fabritz Whitney
Assistant Director, Water Management

Via electronic mail:

cc: Steve Corell, scorell@clearcreekassociates.com
Clear Creek Associates

Steve Olea, solea@azcc.gov
Arizona Corporation Commission

Linda Taunt, taunt.linda@azdeq.gov
Arizona Department of Environmental Quality